

REPORT OF THE DIRECTORS

OF THE

Boston & Maine Railroad

TO THE

STOCKHOLDERS.

Wednesday, Dec. 9, 1874-

BOSTON:

ALFRED MUDGE & SON, PRINTERS, 34 SCHOOL STREET.

1874.

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BOARD OF DIRECTORS.

NATHANIEL G. WHITE, LAWRENCE.

GEORGE C. LORD, BOSTON.

AMOS PAUL, SO. NEWMARKET, N. H.

NATHANIEL J. BRADLEE, BOSTON.

WILLIAM S. STEVENS, DOVER, N. H.

JAMES R. NICHOLS, HAVERHILL.

JOHN FELT OSGOOD, BOSTON.

SAMUEL E. SPRING, PORTLAND, ME.

NATHANIEL W. FARWELL, LEWISTON, ME.

ANNUAL REPORT.

To the Stockholders of the Boston and Maine Railroad:

THE Directors respectfully submit the following Report, exhibiting the result of the operations of the road for the twelve months ending Sept. 30, 1874.

The gross receipts for twelve months end-

ing Sept. 30, 1874, were . . . \$2,421,799 27

Operating expenses exclu-

sive of taxes . . . \$1,459,769 25

Taxes paid in all . . . 97,888 64

\$1,557,657 89

Leaving as net earnings for the year . . . \$864,141 38

Interest and coupons paid during the year . . . 236,786 95

Leaving a balance of . . . \$627,354 43

The gross earnings of the twelve months ending Sept. 30, 1873, were . . . \$2,300,093 68

And the expenses for the same time, including interest, coupons, and taxes, were . . . 1,727,825 00

Showing an increase in the receipts of the present over the previous year of . . . 121,705 59

And in the operating expenses, including interest and taxes, of . . . 66,619 84

The net income for the year ending Sept. 30, 1873, after paying interest, coupons, and taxes, was . . . 572,268 68

Showing an increase in the net income of the present year over the previous year of . . . 55,085 75

SEP 25 1880 W

The financial crisis, beginning in September, 1873, and extending over a large portion of the first six months of the present year, has had its influence upon the business of your road, even to the end of the year. It has reduced the amount of business done considerably below our expectations, and of course correspondingly diminished the income of the company, while the expenses have by no means been correspondingly reduced, but in some unexpected quarters increased.

The Legislature of the State of Maine, at the last session thereof, passed an act levying upon certain railroad corporations within that State a tax of one and one half per cent per annum upon the amount of capital invested. The amount thus levied upon this corporation was \$26,000, a sum equal to double the whole amount of taxes paid by this company prior to the year 1861. This new demand, with \$25,000 claimed by the City of Boston under the Betterment Act, on account of the extension of Washington Street, is, to say the least, an item of expense wholly beyond our estimate for 1874.

If railroad corporations are taxed to such an extent to pay the expenses of the people, the people certainly should not complain if they are made to pay more remunerative rates to the railroads; neither can do without the other, but each is in a measure dependent upon the other.

Notwithstanding the crisis, a calamity which affected injuriously the whole railroad business of the country, your road has maintained its position and made a small gain in both gross receipts and net earnings over the previous year.

As our facilities for doing business have considerably increased during the last year, there is every reason to expect that the business of the coming year will much exceed that of the past.

The passenger and freight business of the past year, as compared with that of the year previous, stands as follows :—

1873.					
Passengers carried	.	.	.	.	5,008,074
“ “ one mile	.	.	.	.	61,760,456
Tons of freight carried	.	.	.	.	542,004
“ “ “ “ one mile	.	.	.	.	20,927,664

1874.					
Passengers carried	.	.	.	.	4,749,785
“ “ one mile	.	.	.	.	75,061,175
Tons of freight carried	.	.	.	.	552,922
“ “ “ “ one mile	.	.	.	.	22,880,690

showing a net loss of 258,289 passengers; and for one mile a net gain of 13,300,719; and in freight a gain of 10,918 tons; and for one mile of 1,953,026 tons.

On the fifteenth day of March, 1833, was approved an act, incorporating the Boston and Maine Railroad, and on the fourteenth day of April, 1836, an act incorporating the Eastern Railroad Company. Each corporation at that early day had its eye on the same objective point, namely, the present City of Portland. On the fourteenth day of March, 1837, the Portland, Saco and Portsmouth Railroad Company was incorporated; soon after the construction of this last named road, a contract was entered into between it and the Boston and Maine and Eastern Railroad Companies, whereby the whole business east of Portsmouth, N. H., was to be equally divided between the two last named roads.

Under this contract the business of the respective roads increased and prospered for twenty-three years, when the contract was terminated by the action of the Portland, Saco and Portsmouth Railroad Company. From that moment, the building of the extension of this road to Portland became a

necessity ; and, as a natural consequence, competition for the business east of the line of the State of New Hampshire, and at the various competing points touched by our respective roads, became active. So active that the managers of these two corporations (the Maine and the Eastern) came together for the purpose of consultation in reference to business at competing points.

After several months' negotiation, a contract was agreed upon, and on the fourth day of April, 1874, was executed by the respective parties thereto, to commence on the first day of May then next ensuing. This contract provides that all the business at competing points to and from other competing points, named and designated, shall be divided, after paying to the party doing the work a certain per cent of the gross receipts. All competition it was agreed should cease from that date ; and the reform of many other abuses, the natural offspring of competition, entered largely into the full and perfect consummation of the agreement. Since the first day of May last, the business of the two roads between points of competition has been done with very little cause of complaint from either party. In the division of the business this road, as was anticipated, has been obliged to make monthly payments to the Eastern Railroad Company, varying in amount with the amount of business done.

Your Directors believed it for your interest to make this contract, and still believe that so long as the same shall be fairly and honestly carried out by the parties in interest, that a large sum of money can thereby annually be saved to the stockholders of each of these corporations.

On the first day of March, 1864, a contract was entered into between this corporation, the Essex Railroad Company, a corporation then in existence but since defunct, and the Eastern Railroad Company, granting to said Essex and Eastern Railroad Companies permission for ten years to

run their locomotives and cars over this road, from the junction in North Andover to North Lawrence, upon the payment of a sum of money per month, which was altogether inadequate for the facilities furnished.

This contract terminated by limitation during the past year. The Eastern Railroad Company were duly notified that after the thirty-first day of August, 1874, no locomotive engine of the Eastern Railroad Company would be allowed to enter upon or pass over any of the track of this corporation between those points; but that arrangements for hauling their cars between said points could be made with this company.

The Eastern Railroad Company having signified a desire that their cars should be so hauled, on the first day of September last we commenced this service. We have been unable to agree upon the amount of compensation that should be paid to us for these services, and the Railroad Commissioners have been called upon under the law to fix and determine the same. On the twenty-fourth day of May last, the rails of this company were joined with those of the Grand Trunk Railway, on Commercial Street, in the City of Portland, and on the next day our passenger trains commenced running to and from the Grand Trunk passenger station. A full and perfect connection, however, was not made with this important system of railways until the twenty-seventh day of September, 1874. On that day the change of the gauge for the whole distance between Detroit and Portland was fully consummated, and our cars, both passenger and freight, were enabled to run from Boston to San Francisco. This connection secured to this corporation much better facilities in the transportation of passengers and freight from points on this road to points on the Grand Trunk, and beyond, than we have enjoyed heretofore. The construction of the Lewiston and Auburn Railroad, five

miles in length, connecting with the Grand Trunk Railway, opens to this road the Cities of Lewiston and Auburn, and to the enterprising people of those two cities another route to Boston. Since the twenty-seventh day of September last, our passenger cars have run between Boston and Lewiston without change. Thus are the people of the State of Maine gradually ridding themselves of the monopoly referred to in our last Annual Report.

A contract has been entered into with the Grand Trunk Road for the use of a portion of their passenger station in Portland by which it is hoped that this road will be saved the expense of constructing a passenger house at that point for many years to come.

The work of dredging at Mystic River in front of our wharf was fully completed in August last, giving us a depth of nine feet below mean low water. To complete the same we have only to put on two feet of ballast, when we shall have about eight acres of wharf accommodation within one mile of the city limits of Boston on the trunk line of our road. This property has been procured at a comparatively moderate cost, and it is believed will be sufficient for the requirements of this road for many years to come.

The belt or pile structure on the east side of our wharf in Portland was found to be unsafe for the passage of locomotives. Accordingly, large and expensive repairs and improvements have been made thereon. Nearly the whole of the east side has been reconstructed with the best of oak piles, and the same has been thoroughly re-planked. Two substantial drops have been built at the end of the wharf for the accommodation of the eastern steamers in the reception and delivery of passengers and freight. Nearly three hundred feet of sheds have been built over the same, for the purpose of covering our passenger trains running to and from the eastern steamers, and also for the accommodation of the

new semi-weekly line of steamers between Portland and New York, who lease a portion of the wharf.

The dock on both sides for a distance of some three hundred feet in length has been dredged to a depth of sixteen feet on the east side and nine feet on the west below mean low water. This increases considerably the facilities for business at this point.

In the Annual Report of last year it was stated that by means of this wharf purchase and the rail connection secured thereby, we were enabled to place our cars within the yards of the largest lumber dealers in Portland, and within the means of close connection with steamers for Halifax, St. John, Bangor, Mt. Desert, etc. This has been done during the past summer, and passengers have found our cars in close proximity to the steamer's landing. The business from this connection with the steamers in the winter season is of little account; but during the summer, we anticipate in the future a large and increasing business, especially after the opening of the Lowell and Andover Railroad.

At the close of business on the thirtieth day of September last, there had been expended, on account of the extension in Maine, including the wharf purchase, \$4,163,344.74, as follows:—

Graduation and masonry	\$1,619,260 32
Land	1,191,823 19
Engineering and other expenses	161,152 06
Superstructure, including iron	655,256 95
Bridges	315,369 57
Stations and buildings	178,174 36
Fences	42,308 29
	<hr/>
	\$4,163,344 74

With the exception of some few claims for land damages yet remaining unsettled on account of legal proceedings con-

nected therewith, and two or three bridge structures for highways or streets that may have to be built, it is hoped and believed that the whole expenditures hereafter on the extension may properly be all charged to expenses.

The number of locomotives in the service of the company remain as at date of last report, 69. One new locomotive has been added during the year, but it takes the place of one worn out and broken up.

During the year we have added 2 new passenger cars, 2 long baggage cars, 6 freight cars, and one snow plow. We have now 122 passenger cars, including 3 parlor cars, and 1,406 freight cars.

As a true measure of economy the track and road-beds have been kept in good condition. 16 miles have been relaid with new iron and $10\frac{3}{4}$ miles with steel rails during the year. We have now on the whole line of road $60\frac{3}{4}$ miles of steel rails. In this connection it is gratifying to be able to state that the steel rails first laid down on this road in the year 1867, at a point where an iron rail had to be renewed every year, are as yet but little worn, and will serve us for three or four years longer; at other points of less severe service they show no appreciable sign of damage or wear, and very few of them have ever broken.

We cannot but believe that the expense of our road repairs must be greatly reduced in the future by the use of steel.

Our new brick passenger house, at Dover, has been finished. It is an ornament to the place, and supplies a long felt want at this important point. New passenger houses have been commenced and are nearly completed at Bradford, and at Byfield on the Newburyport Branch. We have also erected a new, wooden, engine house, at Exeter, called for by running the road in two divisions instead of three, as at first contemplated.

The large number of bridges on the line of our road calls for constant care and watchfulness. The most of those on the

extension are of iron, and we are substituting iron for wood on the other portion of the road, so fast as renewals become necessary.

Notwithstanding all our important wooden bridges are carefully watched, and every possible means used to secure and protect them from fire, yet they are a constant source of anxiety to the officers of the road.

Additional safeguards have been provided for the wooden structure over the Merrimack River, at Haverhill. A contract has been made with the Water Company at that place for a constant supply of water with sufficient head to drench the bridge in case of need. Some 1,000 feet of iron pipe has been laid from the street mains to the north end of the bridge; from thence an iron pipe is carried through its entire length, and so arranged in sections as to command, by means of hose fitted to the same, a water supply, almost instantly, in any part of the bridge in case of fire.

A new, three-track, iron, fifty-feet span bridge has been constructed over Little River, in Haverhill.

We have also contracted for a new iron through bridge of one hundred and fifty feet span, to take the place of the present wooden structure over Lamprey River in Newmarket.

The Lowell and Andover Railroad is approaching completion. When finished, this corporation will take a lease of the same for ninety-nine years, in accordance with your vote passed June 4, 1873. By it this road secures another important through connection with the West, as well as a new and direct line for New York.

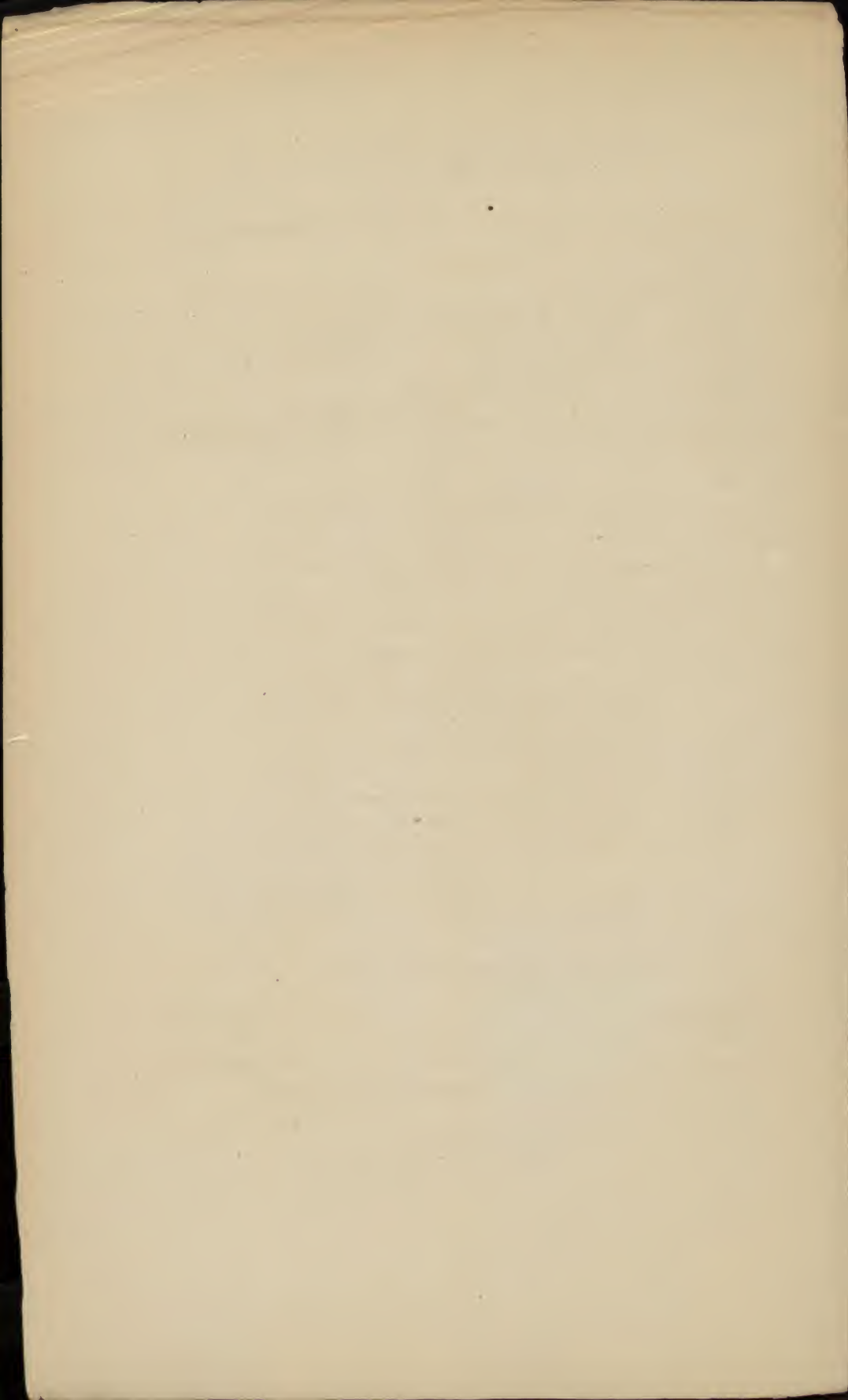
The accounts of the treasurer have been examined by the auditor, Mr. A. R. Turner, and he reports them to be correct.

Respectfully submitted,

By order of the Board,

BOSTON, Nov. 4, 1874.

N. G. WHITE, *President.*



Comparative Statement of Earnings and Expenses.

EARNINGS.

Year ending Sept. 30, 1873.		Year ending Sept. 30, 1874.
\$1,302,190 55	Passengers....	\$1,410,530 85
820,512 44	Freight.....	820,275 79
42,022 16	Rents.....	52,744 62
14,551 25	Mails.....	21,360 20
78,409 35	Interest and premium..	61,531 60
42,407 93	Expresses	55,356 21
<u>\$2,300,093 68</u>		<u>\$2,421,799 27</u>

EXPENSES.

\$216,657 51	Repairs road	\$207,101 66
27,530 80	“ bridges.....	31,013 80
10,324 31	“ fences, etc....	10,779 45
91,253 87	“ stations	55,507 85
88,658 86	“ locomotives ..	97,567 46
53,584 43	“ pass. and bag. cars	69,165 49
34,872 24	“ mdse. cars....	29,822 94
6,264 88	Removing ice and snow	4,326 06
77,516 20	Switchmen, gatemen, signalmen and watchmen	86,545 83
232,349 34	Passenger expenses ..	239,355 78
188,430 84	Freight “ ..	178,694 30
56,960 75	Wood	37,619 74
6,282 37	Water.....	11,240 24
20,796 67	Oil	20,054 59
5,313 16	Waste	4,618 23
11,585 44	Gratuities and damages	9,649 01
37,364 20	General expenses	32,208 03
10,749 89	Insurance	10,568 30
7,500 00	Danvers Railroad rent West Amesbury Rail- road rent.....	7,500 00 4,275 00
204,816 52	Coal for locomotives..	197,319 38
138,868 13	Renewal of rails.....	109,495 25
5,678 93	Telegraph	5,310 86
<u>\$1,533,359 34</u>	Operating expenses ..	<u>\$1,459,769 25</u>
86,168 61	Taxes	97,888 64
108,297 05	Interest	236,786 95
<u>\$1,727,825 00</u>		<u>\$1,794,444 84</u>
 \$572,268 68	Net earnings for the year.....	 \$627,354 43
1,458,963	Miles run	1,424,698

Dr. *Treasurer's Balance Sheet, September 30, 1874.*

ASSETS.

CONSTRUCTION.

Graduation and Masonry	\$2,645,371 27	
Bridges	882,759 45	
Superstructure, including Iron	1,897,731 43	
Stations, Buildings, Fixtures and Furniture	1,057,156 11	
Land, Land Damages and Fences	2,379,248 50	
Engineering and other expenses	446,165 06	
		<hr/>
		\$9,308,431 82

EQUIPMENT.

69 Locomotives	\$529,545 18	
153 Passenger and Baggage Cars	335,724 67	
1,628 Merchandise and other Cars	473,134 36	
		<hr/>
		1,338,404 21
Construction and Equipment		<hr/>
		\$10,646,836 03

Car-shop stock on hand	\$38,330 76	
Engine-shop stock on hand	19,101 47	
Wood " "	29,860 00	
Oil " "	2,949 40	
Waste " "	929 50	
Rails " "	137,690 00	
Ties " "	9,134 00	
Coal " "	96,937 50	
		<hr/>
		\$334,932 63

Cash	263,754 90	
Uncollected freight bills, etc.	96,346 15	
U. S. Post-office department	937 60	
Land and improvements, D. and W. Railroad	24,607 61	
Grand Trunk Railway	1,127 70	
Portland and Rochester Railroad	824 91	
Stoneham Street Railroad	549 36	
Eastern Railroad	3,298 76	
Maine Central Railroad	4,276 14	
Notes receivable	6,676 03	
Steamer "Mt. Washington," and wharves	70,060 24	
Uncollected interest on delayed payments for new stock	27	
Sundry accounts and sundry railroads	5,736 56	
Boston and Maine Railroad Stock at par	27,000 00	
Danvers Railroad Bonds indorsed by us taken at par	73,000 00	
Danvers Railroad account	27,430 00	
Newburyport Railroad	303,993 00	
Insurance Scrip	640 00	
Dover and Winnipiseogee Railroad Stock	263,144 48	
		<hr/>
		\$1,173,403 71
		<hr/>
		\$12,155,172 37
		<hr/>

Treasurer's Balance Sheet, September 30, 1874. Cr.

LIABILITIES.

CAPITAL STOCK (received from sale of 70,000 shares)	\$6,921,274 52
1893 7% Bonds	\$1,500,000 00
1894 7% Bonds issued up to Sept. 30, 1874	1,012,500 00
Notes payable	901,509 08
Uncalled for wages	664 31
" " Dividends	10,506 00
" " Bond interest due Jan. 1, 1874	367 50
" " " " July 1, 1874	2,537 50
" " Interest due stockholders on account of new stock	247 50
Danvers Railroad rent account	1,750 00
Cash receipts, Oct. 1 to Oct. 12 inclusive, on account of freight bills, etc.	91,714 30
Boston and Providence Railroad	73 15
Boston, Concord and Montreal Railroad	591 02
Boston and Lowell and Nashua and Lowell Railroad	7,179 61
Concord Railroad	6,398 57
Concord and Claremont Railroad	483 37
Dover and Winnipiseogee Railroad	12,083 30
Manchester and Lawrence Railroad	25,876 52
Manchester and North Weare Railroad	119 14
Northern Railroad	402 58
Central Vermont Railroad	396 50
Portland and Ogdensburg Railroad	1,662 09
New England and Nova Scotia S. S. Co.	858 00
International S. S. Co.	248 75
Portland, Bangor and Machias S. S. Co.	676 50
Sebago S. S. Co.	188 15
West Amesbury Branch Railroad	1,425 00
Deposits on account of Newburyport Railroad Bonds	480 00
Amount payable on account of Newburyport Railroad Bonds as per agreement	370 00
Dividend payable November 14, 1874	\$3,581,308 44
Suspense	280,000 00
Profit and loss	354,311 71
	1,018,277 70
	<u>\$12,155,172 37</u>

Statement of Profit and Loss Account, September 30th, 1874.

Profit and Loss Account, as per Report \$1,018,277 70

Invested as follows:—

In Newburyport Railroad Bonds\$303,993 00

 Danvers Railroad Bonds (guaranteed by this
 corporation) 73,000 00

 Danvers Railroad Contract and Stock 27,430 00

 Dover and Winnipiseogee Railroad Stock .. 263,144 48

 The Remainder..... 350,710 22

• in expenditures on the Road, Rolling Stock, ———— \$1,018,277 70
etc., in addition to the capital received from
the sale of stock. It is, therefore, only an
element indicating, in some measure, the
value of the stock above par; but, it is not
available for the payment of debts or divi-
dends.

BOSTON AND MAINE RAILROAD.

The Annual Meeting of the Stockholders of the Boston and Maine Railroad, will be held at LAWRENCE, in the City Hall, on WEDNESDAY, the ninth day of December next, at Ten o'clock, A.M., for the following purposes, viz:—

1. For the choice of Directors for the ensuing year.
2. For the transaction of any other business which may legally be brought before them.

By order of the Directors,

CHAUNCEY P. JUDD, *Clerk.*

BOSTON, Nov. 4, 1874.



